

AMENDED IN SENATE APRIL 2, 2008

SENATE BILL

No. 1518

Introduced by Senator Correa

February 22, 2008

An act to add Chapter 8.5 (commencing with Section 537) to Division 1 of the Water Code, relating to water metering.

LEGISLATIVE COUNSEL'S DIGEST

SB 1518, as amended, Correa. Water charges, meters, and submeters: multiunit residential structures.

(1) The Water Measurement Law requires every water purveyor to require, as a condition of new water service on and after January 1, 1992, the installation of a water meter to measure water service. That law also requires urban water suppliers to install water meters on specified service connections, and to charge water users based on the actual volume of deliveries as measured by those water meters in accordance with a certain timetable.

This bill, with a certain exception, would require every water purveyor who provides water service to any person residing in a multiunit residential structure for which ~~a construction~~ *an occupancy* permit has been issued on or after January 1, 2012, to require the installation of meters or submeters on each individual rental unit as a condition of ~~new~~ water service to that property. The bill would authorize the owner or operator to charge tenants based on the actual volume of water delivered as measured by the water meter or submeter. The bill would authorize the owner or operator of a multiunit residential structure without water submeters to charge tenants separately for the costs of water service, *or water and sewer service*, as determined by a prescribed allocation formula, subject to specified requirements *and limitations*.

(2) Existing law requires county sealers to inspect and test measuring devices and permits the board of supervisors of a county to charge an annual device registration fee to recover costs associated with the exercise of those functions. Existing law makes it a crime to violate certain laws relating to the certification and installation of measuring devices.

This bill would make those laws applicable to the meters and submeters installed pursuant to the bill's provisions, and would provide that the property owner is responsible for compliance with those laws. By imposing additional duties on counties with regard to the inspection of meters and submeters, the bill would impose a state-mandated local program. Because, under existing law, a violation of those laws is a crime, the bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 8.5 (commencing with Section 537) is
2 added to Division 1 of the Water Code, to read:

3

4 CHAPTER 8.5. MULTIUNIT RESIDENTIAL STRUCTURES

5

6 537. (a) Every water purveyor who sells, leases, rents,
7 furnishes, or delivers water service to any person residing in a
8 multiunit residential structure for which ~~a construction~~ *an*
9 *occupancy* permit has been issued on or after January 1, 2012,
10 shall require the installation of meters or submeters on each
11 individual rental unit as a condition of ~~new~~ water service to that
12 property, except if plumbing configurations with multiple points

1 of entry in high rise structures make the installation of submeters
2 infeasible.

3 (b) All meters and submeters shall be certified, installed, and
4 administered in accordance with the applicable sections of Division
5 5 (commencing with Section 12001) of the Business and
6 Professions Code.

7 (c) Compliance with laws governing submeter installation,
8 certification, maintenance, fees, and testing shall be the
9 responsibility of the property owner and not the water purveyor.

10 (d) The owner or operator of the multiunit residential structure
11 described in subdivision (a) may charge tenants for water service
12 based on the actual volume of water delivered to the unit as
13 measured by the meter or submeter installed pursuant to
14 subdivision (a).

15 (e) All fees to cover the certification and testing of the meters
16 and submeters shall be paid in accordance with Article 2.1
17 (commencing with Section 12240) of Chapter 2 of Division 5 of
18 the Business and Professions Code.

19 (f) For the purposes of this chapter, the following terms have
20 the following meanings:

21 (1) "High-rise structure" has the same meaning as that set forth
22 in subdivision (b) of Section 13210 of the Health and Safety Code.

23 (2) "Water meters" and "water submeters" includes any suitable
24 water measuring device or facility that measures or determines the
25 volumetric flow of water.

26 538. (a) Subject to subdivision (b), the owner or operator of
27 a multiunit residential structure without water submeters may
28 charge building tenants separately for the costs of water service,
29 *or water and sewer service, as applicable*, as determined by an
30 allocation formula that reflects the square footage of the unit ~~or~~,
31 the number of tenants of record residing in the unit, *or both the*
32 *square footage of the unit and the number of tenants of record*
33 *residing in the unit. The allocation formula may include the actual*
34 *volume of water delivered to the unit as measured by a meter or*
35 *submeter installed to measure a portion of the water, including,*
36 *but not limited to, hot water heaters, where appropriate. Any hot*
37 *water meter or submeter shall be certified, installed, and*
38 *maintained in compliance with the requirements of Division 5*
39 *(commencing with Section 12001) of the Business and Professions*
40 *Code..*

(b) The owner or operator of a multiunit residential property shall not include within the allocation formula described in subdivision (a) the costs of water used for the common areas of the property, including, but not limited to, water used for landscaping, swimming pools, and other recreation areas. If the common areas of the multiunit residential property are not individually metered or submetered for water service, the multiunit residential property owner or operator ~~shall deduct, prior to allocating charges to the tenants for water service, or water and sewer service, as applicable, shall do either of the following:~~

(1) ~~Deduct a minimum of 25 percent from the total property water bill before allocating charges to the tenants for water service, or water and sewer service, as applicable. bill.~~

(2) ~~Deduct a percentage from the total property water bill as determined by an independent water audit performed by a local water agency.~~

(c) Any separately billed water charges, or water and sewer charges, shall not be included in the rent charged for the residential rental unit.

(d) This section shall not apply to any assisted housing development that is subject to rent restrictions pursuant to any of the following:

(1) A loan or grant from the Department of Housing and Community Development or the California Housing Finance Agency.

(2) State or federal tax credits allocated by the California Tax Credit Allocation Committee.

(3) Tax-exempt bond authority allocated by the California Debt Limit Allocation Committee.

(4) Section 1701g of Title 12 of the United States Code.

(5) Paragraphs (3) or (4) of subsection (d) of Section 17151 of Title 12 of the United States Code.

(6) Section 8013 of Title 42 of the United States Code.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the

1 meaning of Section 6 of Article XIII B of the California
2 Constitution.

3 However, if the Commission on State Mandates determines that
4 this act contains other costs mandated by the state, reimbursement
5 to local agencies and school districts for those costs shall be made
6 pursuant to Part 7 (commencing with Section 17500) of Division
7 4 of Title 2 of the Government Code.

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